

SEVEN POINTS ON PREFERRED STOCKS

The reason why securities of this class are popular with the investing public is explained in our special summary M-51—issued on request.

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Foreign Exchange Letters of Credit

Sharp Break in Stock Prices as Money Rate Soars

Dear money, severe restrictions on industrial activity imposed in the interest of fuel conservation, and an extremely pessimistic statement by Sir George Paish, which caused a sharp break in foreign exchange rates, combined yesterday to produce speculative selling of stocks which sufficed to carry the general level of prices substantially lower. Declines in the more active stocks ranged from a fraction up to nearly 5 points. The average loss, however, was not more than a point.

The market opened at relatively slight changes from the closing figures of Monday, but almost immediately weakened under the influence of the order curtailing industrial operations. Evidently, however, the prospect for early settlement of the coal strike was weakened, and the largely offsetting this unfavorable development, for the downward movement had not proceeded far when enough support appeared to check the decline and even caused a slight recovery. Thereafter prices fluctuated narrowly until well into the afternoon, when the Paish statement appeared and the list again weakened. It was still tending downward when call rates began to soar. Immediately a fresh wave of selling, coming not only from speculators who had bought stocks on the previous advance, but from traders who, foreseeing the decline, had taken large commitments on the short side, and prices receded rapidly. The market remained weak throughout the last hour. Such recoveries as took place were insufficient to balance earlier losses. Nevertheless the market as a whole was stronger than might have been expected, considering the highly unfavorable developments, with which it had to contend. The break was hardly more extensive than the advance had been on some recent days.

Bankers explained the rise in call rates, the chief disturbing factor, as being due to heavy government withdrawals. Some expressed surprise that rates did not go even higher, although it was generally believed that the stringency would be relieved before the end of the week. Brokers and traders, however, were inclined to view the money situation pessimistically, taking the view that any substantial increase in the demand for speculative money would be followed by another advance in rates and that, therefore, market conditions would be expected through the remainder of the year.

There was disposition in some quarters to belittle the Paish statement, in which Sir George took the position that unless adequate measures for meeting the foreign credit problem are taken without delay, an early breakdown of exchange and commercial earnings would be inevitable. A good many bankers were of the opinion that Sir George had exaggerated the seriousness of the situation. The statistics of trade and the condition of the country, however, seemed to show that the outlook is quite as grave as the statement indicated. The pound sterling yesterday sold at a discount of more than 10 per cent, while the October statistics show that the balance in favor of this country in trade with Europe is running at the rate of more than \$3,000,000,000 a year.

Money and Credit

The money stringency on the Stock Exchange became temporarily more acute yesterday, and the call rate, which opened at 7 per cent, moved later in the day to 12 per cent, the highest since November 19, the total turnover was estimated at approximately \$25,000,000, of which \$15,000,000 was between \$7,000,000 and \$8,000,000 was loaned above the ruling rate. Bankers attributed the current scarcity of funds for speculative purposes to further withdrawals by the government in preparation for the Liberty loan interest payments due on December 15. Banks are also conserving their resources in expectation of the drawing down of accounts to meet tax payments on that date. There was continued evidence that the Treasury Department is buying up the 4½ per cent Treasury certificates with the proceeds derived from the sale of the 4½s. Yesterday's withdrawals were estimated at \$22,000,000, compared with \$65,000,000 on Monday.

The ruling rates for money yesterday, compared with a year ago, were as follows:

Call money:	Yester.	Year ago.
On mixed collateral.....	12 1/2	7 1/2
On industrial collateral.....	12 1/2	7 1/2
Time money (mixed collateral):		
Sixty days.....	6	6
Ninety days.....	6	6
Four months.....	6	6
Four to six months.....	6	6

Bank Clearings—Bank clearings in New York and other cities yesterday were:

Exchanges	Balances
New York.....	\$977,292,505
Baltimore.....	14,922,835
Boston.....	19,302,027
Chicago.....	96,202,286
Cleveland.....	12,669,610
Philadelphia.....	75,367,390
Silver.....	17,281,931
London, 75d; New York, \$1.11.....	11,000,000

Sub-Treasury—United States Treasury credit balance, \$843,033; Federal Reserve credit balance, \$46,786,985.

The Dollar in Foreign Exchange

The plunging of the exchanges of the former belligerent countries of Europe to new low records continued yesterday, and the dollar was at the greatest premium in history. Demand sterling at the close of the market was quoted at \$3.15 1/2, and the dollar worth only 11 1/2 French francs; 11 1/2 Belgian francs, and 13 1/2 lire.

Yesterday's rates, compared with those a week ago, follow:

(Quoted dollars to the pound)	Yester.	Week ago.
Sterling, demand.....	\$3.15 1/2	\$3.25
Sterling, sixty days.....	\$3.15 1/2	\$3.25
Sterling, ninety days.....	\$3.15 1/2	\$3.25

(Quoted units to the dollar)

Francs, checks..... <td>11.75</td> <td>10.00</td>	11.75	10.00
Belgium, francs, checks..... <td>11.15</td> <td>9.45</td>	11.15	9.45
Belgium, francs, checks..... <td>11.15</td> <td>9.45</td>	11.15	9.45
Belgium, francs, checks..... <td>11.15</td> <td>9.45</td>	11.15	9.45
Belgium, francs, checks..... <td>11.15</td> <td>9.45</td>	11.15	9.45

Transactions Yesterday in Listed Stocks

Summary of Stock Exchange Dealings									
(Copyright, 1919, New York Tribune Inc.)									
Stocks									
	Yesterday.	Day before.	Year ago.	1919.	1918.	1917.	1916.	1915.	1914.
Railroads.....	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Industrial.....	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
All stocks.....	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000

Record of Stock and Bond Averages									
Stocks									
	Yesterday.	Day before.	Year ago.	1919.	1918.	1917.	1916.	1915.	1914.
20 Railroads.....	65.80	66.10	75.35	78.30	64.35	79.15	66.12	66.12	66.12
50 Industrials.....	104.37	105.60	85.47	119.33	79.20	88.83	73.37	73.37	73.37
50 Stocks.....	89.84	89.84	89.84	89.84	75.92	84.03	70.30	70.30	70.30

Bonds									
	Yesterday.	Day before.	Year ago.	1919.	1918.	1917.	1916.	1915.	1914.
10 Railroads.....	73.93	73.93	84.47	82.80	73.53	96.87	76.62	76.62	76.62
10 Industrials.....	91.62	91.62	90.40	90.70	91.62	90.87	81.40	81.40	81.40
5 Utilities.....	74.22	74.22	87.72	87.75	71.80	89.02	82.60	82.60	82.60
25 Bonds.....	81.06	81.06	88.95	87.91	80.92	89.46	83.62	83.62	83.62

High, Low, Div.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

Sales, Open, High, Low, Close, Net, Bid, Ask.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

High, Low, Div.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

Sales, Open, High, Low, Close, Net, Bid, Ask.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

High, Low, Div.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

Sales, Open, High, Low, Close, Net, Bid, Ask.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

High, Low, Div.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

Sales, Open, High, Low, Close, Net, Bid, Ask.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

High, Low, Div.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

Sales, Open, High, Low, Close, Net, Bid, Ask.									
1919.	1918.	1917.	1916.	1915.	1914.	1913.	1912.	1911.	1910.
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2
44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2	44 29 1/2

In Wall Street

"What Do You Think of the Market?"
The head of a great industrial corporation:
"I am a bull on the stock market. It is my opinion that next year I shall see big production and general prosperity. Stock market prices may go up and then down. But I certainly would have to take a chance of selling this market short around present levels."

A Good Job
There is a banking institution that would be willing to pay a \$500,000 salary, if it could find the right kind of man as its executive head. The fact is that a real shortage of bank presidents exists. Two or three banks have lately sought the country to find the kind of men needed, but without success. As a banker pointed out yesterday in calling attention to this state of affairs, the men who would be satisfactory are hard to pry loose from their present moorings.

Royal Dutch Expanding
In such a market as the Street experienced a month ago, before the break came, the announcement yesterday relative to the conclusion of negotiations for the purchase of 100,000 shares of the Steaua Romana Petroleum Company by the Royal Dutch-Shell group would have afforded the basis for active speculation for the advance. As it was, the Street paid no attention to the news. The Romanians are the second largest producer of oil in the rich Rumanian fields, and was owned by the Deutsche Bank and other German interests. It is stated that the transaction strengthens the position in the Rumanian fields, where it already is the largest interest by reason of its control of the Astra Romana. The latest sale for production amounted to 95 barrels of oil monthly. The acquisition of control of the Steaua Romana will bring the total up close to 500,000 barrels.

Professional Pressure
When prices of stocks sagged off in the afternoon yesterday after milling around in the early hours without getting anywhere much, the trading element turned bearish again. It was as if the market were following the tape. The same thing happened last week when the Street became bullish when prices hardened. The big news of the day, the latest statement that the Federal Reserve Bank had agreed to accept the 14 per cent increase in wages offered by the operators as a result of the Washington conference, did not come until after the close. It is doubtful whether it would have helped the market much even had it come during the trading session. The professionals were bent on pounding the market on general principles, their attitude being that the list was due for a setback. At that the movement was not severe, despite 12 per cent call money. Most of the selling came from commission houses and a few good-sized traders. There was little or no liquidation.

Tipping American Can
Tips are curious things. They seem to start from nowhere and spread with lightning speed. Yesterday American Can common was said to be a good thing to buy on a tip that got an early start and after going the complete rounds of the financial district traveled all the way to Wall Street and back by wire. There have been so many false starts made in Can that many traders are wary about buying the stock on tips, but the tip yesterday brought in a lot of following orders. The price rose to 55, from where it fell back to about the closing level of the day before. The fact about American Can common is that the company could, if it deemed advisable, declare a liberal dividend on the stock. In 1918 there was earned, after allowing for the 7 per cent preferred dividends, \$7.55 a share on the common amounting to nearly \$22 a share. No figures have been made available as to earnings this year, but they are said to be well in excess of the 1918 figure.

A Lively Market
Owing to the short fuel supply pig iron prices have risen in sensational manner. Yesterday American telephone actually happened to a steel man who was in the market the other day for basic pig. The representative of the telephone company visited the steel man's office and sold him a liberal quantity of pig iron at \$38 a ton. Then the salesman proceeded to impress upon the mind of the steel manufacturer the serious shortage in the supply of pig iron and the certainty that prices would go higher. Whereupon the steel man told the salesman to put him down for 1,000 tons more at the \$38 price. The telephone man, however, in the order only to find that the price had gone up \$1 a ton inside of fifteen minutes, and the price quoted the purchase of the additional ton at \$39 a ton. The following day this same grade of pig iron was \$40 a ton.

Bid and Asked

Bid.	Ask.	Bid.	Ask.
Am. Bk. Note.....	47 1/2	Am. Bk. Note.....	47 1/2
Am. Bk. Note.....	47 1/2	Am. Bk. Note.....	47 1/2
Am. Bk. Note.....	47 1/2	Am. Bk. Note.....	47 1/2

FINANCIAL FORECAST
Among other issues treated are:
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Northern Ohio Elec. Pfd.
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Fifth Avenue & Forty-fourth St.
New York

Liberty Bond Interest Monday
In preparation for the semi-annual payment which becomes due next Monday, the Liberty Loan and the Victory Loan the Federal Reserve Bank yesterday announced that if coupons were deposited in advance at the bank interest checks would be ready at 10 o'clock on December 15. The final installment on the Federal taxes fall on the same day.

St. Louis & Southwestern
October gross.....\$1,900,217 Inc \$368,501
Balance after taxes.....256,835 Inc 39,840
Total.....\$2,157,052 Inc 408,341
10 months' gross.....15,333,926 Inc 2,437,779
Balance after taxes.....1,950,012 Inc 218,584
Net operating income.....1,050,012 Inc 218,584